

# OPEN MEETING ITEM



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## BEFORE THE ARIZONA CORPORATION COMMISSION

### COMMISSIONERS

2015 SEP 17 P 12:24

SUSAN BITTER-SMITH- Chairman  
BOB STUMP  
BOB BURNS  
DOUG LITTLE  
TOM FORESE

AZ CORP COMMISSION  
DOCKET CONTROL

## ORIGINAL

IN THE MATTER OF THE APPLICATION OF  
ARIZONA WATER COMPANY, AN ARIZONA  
CORPORATION, FOR A DETERMINATION OF  
THE FAIR VALUE OF ITS UTILITY PLANT  
AND PROPERTY AND FOR ADJUSTMENTS  
TO ITS RATES AND CHARGES FOR UTILITY  
SERVICE FURNISHED BY ITS EASTERN  
GROUP AND FOR CERTAIN RELATED  
APPROVALS.

DOCKET NO. W-01445A-11-0310

### **NOTICE OF FILING PROPOSED ORDER STAYING SIB MECHANISM**

In Decision No. 74590 (August 4, 2014), the Arizona Corporation Commission ("Commission") approved the surcharge request related system improvement benefits mechanism ("SIB") for Arizona Water Company for the Cochise Division of its Eastern Group. On August 18, 2015, the Court of Appeals issued an opinion, in Case No. 1 CA-CC 13-0002, which set aside the Commission's approval of a SIB mechanism.

In light of the Court's ruling, it is appropriate to stay the collection of the SIB surcharge, along with all compliance matters related thereto, pending the outcome of further proceedings.

It is anticipated that the proposed order will be scheduled to be considered by the Commission during the regularly scheduled Open Meeting on October 20 and 21, 2015. However, interested parties should check the Commission's website for posting of this item on a Commission agenda.

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Arizona Corporation Commission

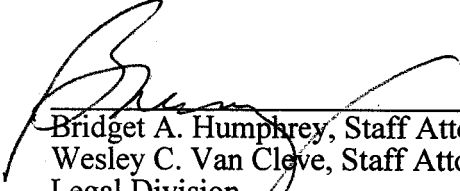
## DOCKETED

SEP 17 2015

DOCKETED BY

1 It is noted that the attached proposed order is not an order of the Commission. Exceptions to  
2 the proposed order may be filed in the docket by September 28, 2015.

3 RESPECTFULLY SUBMITTED this 17<sup>th</sup> day of September, 2015.

4  
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6   
7 Bridget A. Humphrey, Staff Attorney  
8 Wesley C. Van Cleve, Staff Attorney  
9 Legal Division  
Arizona Corporation Commission  
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Phoenix, Arizona 85007  
(602) 542-3402

10 Original and thirteen (13) copies of the  
11 foregoing were filed this 17<sup>th</sup> day of  
September, 2015, with:

12 Docket Control  
13 Arizona Corporation Commission  
1200 West Washington Street  
14 Phoenix, Arizona 85007

15 Copies of the foregoing were emailed/  
16 and/or mailed this 17<sup>th</sup> day of September,  
2015, to:

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

**COMMISSIONERS**

SUSAN BITTER SMITH - CHAIRMAN  
BOB STUMP  
BOB BURNS  
DOUG LITTLE  
TOM FORESE

IN THE MATTER OF THE APPLICATION  
OF ARIZONA WATER COMPANY, AN  
ARIZONA CORPORATION, FOR A  
DETERMINATION OF THE FAIR VALUE  
OF ITS UTILITY PLANT AND PROPERTY  
AND FOR ADJUSTMENTS TO ITS RATES  
AND CHARGES FOR UTILITY SERVICE  
FURNISHED BY ITS EASTERN GROUP  
AND FOR CERTAIN RELATED  
APPROVALS.

DOCKET NO. W-01445A-11-0310

**DECISION NO. \_\_\_\_\_**

Open Meeting  
October 20, 2015  
Phoenix, Arizona

**BY THE COMMISSION:**

**FINDINGS OF FACT**

1. On August 4, 2014, the Arizona Corporation Commission ("Commission") issued Decision No. 74590. Among other things, Decision No. 74590 approved Arizona Water Company's ("Company") implementation of a system improvement benefits ("SIB") surcharge consistent with the Commission's approval of a SIB mechanism for the Company in Decision No. 73928 (June 27, 2013). On August 18, 2015, the Arizona Court of Appeals issued an opinion in Case No. 1 CA-CC 13-0002 which set aside the Commission's approval of the SIB mechanism approved by Decision No. 73928.

2. In light of the Court's ruling, and in balancing the interests that are implicated in this matter, the Commission finds it is reasonable and in the public interest to stay collection of the surcharge approved by Decision No. 74590 pending the outcome of further court proceedings.

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5 **CONCLUSIONS OF LAW**

6 1. Arizona Water Company is a public service corporation within the meaning of Article  
7 XV of the Arizona Constitution.

8 2. The Commission has jurisdiction over Arizona Water Company, and the subject  
9 matter of this filing.

10 3. It is in the public interest to stay the collection of of the System Improvement Benefits  
11 Mechanism surcharge approved by Decision No. 74590 pending the outcome of further court  
12 proceedings and until further order of the Commission.

13 **ORDER**

14 IT IS THEREFORE ORDERED that the System Improvement Benefit Mechanism surcharge  
15 approved by Decision No. 74590, is hereby stayed until further order of the Commission.

16 IT IS FURTHER ORDERED that all compliance requirements specifically associated with  
17 operation of the System Improvement Benefits Mechanism are stayed until further order of the  
18 Commission.

19 IT IS FURTHER ORDERED that all other aspects of Decision No. 74590 shall remain in  
20 effect.

21 IT IS FURTHER ORDERED that this Decision shall become effective immediately.  
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BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

JODI JERICH  
EXECUTIVE DIRECTOR

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

\CHH

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2 DOCKET NO. W-01445A-11-0310

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